



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 16, 2007

Mr. Toby Reed, Branch Manager
JPMorgan Chase
185 South State Street
Salt Lake City, Utah 84111

COPY

Subject: Authorization for Release of Certificate of Deposit (CD) and Termination of CD Letter Agreement, Gemstone Mining Inc., Red Emerald Mine Site, M/001/045, Beaver County, Utah

Dear Mr. Reed,

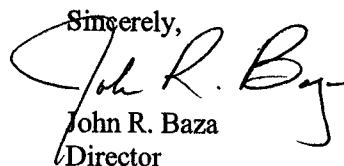
JPMorgan Chase is presently holding a Certificate of Deposit (CD), account number (Bank One, Utah, NA, issued), for the benefit of the State of Utah, Division of Oil, Gas and Mining as a form of reclamation surety for Gemstone Mining Inc. for their Red Emerald Mine Site.

The Operator, Gemstone Mining, Inc., have performed their obligations under the terms of the agreement therefore:

- The Division authorizes JP Morgan Chase to release the full deposit amount of \$9200.00 along with any accrued interest to the Owners, or their legal successors-in-interest;
- The unconditional control of the CD shall be returned to the Owner;
- The terms and conditions associated with the CD Letter Agreement are no longer in effect;
- The enclosed copy of the CD letter agreement is now terminated.

If you have any questions or require further discussion regarding the content of this letter, please contact Ms. Beth Ericksen (801) 538-5318.

Sincerely,


John R. Baza
Director

JRB:BE:be

enc: cd letter agreement, copy

cc: Gemstone Mining, Inc, Attention: Dominique Merz, 599 N. 800 W. #6, Cedar City, Utah 84720 (w/enc original)
Tom Munsonr, OGM
Beth Ericksen, OGM
Ed Ginouves, BLM, (ed_ginouves@blm.gov)



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

November 15, 2001

COPY

COMPLETED

Release letter dated
1/16/07

Bank One
185 South State Street
Salt Lake City, Utah 84111

Attention: Matt Miles, Relationship Banker

Re: Reclamation Surety, Time Deposit Receipt Account for Red Emerald Mine Site,
M/001/045, Beaver County, Utah
Time Deposit Receipt Account No. Principal Amount \$200,200.00.

This letter describes the mutually agreed upon instructions of the below signed parties to Bank One Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described Time Deposit Receipt Account ("TDRA"), which is being used as a surety to guarantee the availability of reclamation funds for the Red Emerald mine site, Beaver County, Utah ("Mine Site"). It is the intention of the parties that the TDRA be utilized as surety to guarantee that \$200,200.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") and the U.S. Department of Interior, Bureau of Land Management ("agency") upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with state law and regulations including but not limited to Title 40-8-14(7), and Rules R647-4-114 & R647-5-101.

Ownership and Renewal:

Ownership of the TDRA is retained by Gemstone Mining Company, a Utah corporation, ("Owners"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and the U.S.

Department of Interior, Bureau of Land Management and is subject to the terms and conditions described in this agreement. The TDRA shall automatically renew indefinitely until either redeemed or released by both the Director of the Division and the authorized officer of the U.S. Department of Interior, Bureau of Land Management.

COMPLETED

Redemption:

The TDRA may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of both the Director of the Utah Division of Oil, Gas & Mining and the authorized officer of U.S. Department of Interior, Bureau of Land Management to the Bank. Upon the instruction and demand of the Director and authorized officer of the U.S. Department of Interior, Bureau of Land Management the full initial amount of the TDRA shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the TDRA which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the TDRA. Upon redemption, any accrued interest in excess of the initial amount of the TDRA shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the TDRA. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division and the authorized officer of the U.S. Department of Interior, Bureau of Land Management may redeem the TDRA.

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Release:

The bank shall release the TDRA only upon the written instruction of both the Director of the Division and the authorized officer of the U.S. Department of Interior, Bureau of Land Management to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the TDRA shall be returned to the Owners, or their legal successors-in-interest.

Accrued Interest:

Prior to release or redemption, all interest which accrues by the TDRA shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the TDRA until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the TDRA which would cause the redemption amount of the TDRA to be less than the initial amount of \$200,200.00. All tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

Bank will not be held liable for any dispute between the parties.

Agreed Upon By:

COMPLETED

Lowell P. Braxton

Lowell P. Braxton, Director
Utah Division of Oil, Gas & Mining
Tax ID Number: _____

Date: 12/03/01

Robert Lopez

Robert Lopez, Authorized Officer
U.S. Department of Interior, Bureau of Land Management
Utah State Office

Date: 12/03/01

Scott Wilkinson

Gemstone Mining Company
Scott Wilkinson, Agent
Tax ID Number: _____

Date: 11/20/01

Matt Miles

Matt Miles, Relationship Banker
Bank One

Date: 12/3/01

o:\m01-45-cd-cover.doc

COPY

m/001/045

March 26, 2003

COMPLETED

Dear Joelle Burns:

This CD was opened on 11-23-1999 in the amount of \$200,200.00.

It appears, by reading notes made to the file, that on Feb. 11, 2002 the CD was reduced to \$25,300.00.

I have enclosed a copy of the notes made to the file.

Hope this Helps.



Peggy A Goff
ABCM Bank One NA

RECEIVED

MAR 26 2003

DIV. OF OIL, GAS & MINING

COPY

June 5, 2003

m/001/045

COMPLETED

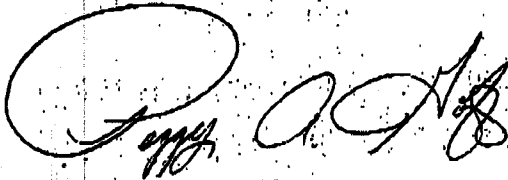
Dear Joelle Burns:

CD # 880067493931 was reduced to \$9,200.00 on May 2, 2003.

This transaction was completed by Jeff Jones the Relationship Manager for this account.

The current balance on this CD is \$9,210.91.

Hope this Helps.



Peggy A Goff
ABCM Bank One NA

RECEIVED

JUN - 5 2003

DIV. OF OIL, GAS & MINING

COPY

Account Profile

Customer Name:	GEMSTONE MINING INC	Bank ID:	Utah
Account #:	880067493931	Account Type:	CD/IRA
Account Title:	GEMSTONE MINING INC FBO UTAH DIV OF OIL GAS AND MINING AND US DEPT OF INTERIOR	Account Tax ID:	
Password:		Application Refresh Date:	11/30/2001
Cost Center:	405	Branch:	405
Market Segment:	None		

BANK ONE

m/001/045

COMPLETED

***Financial Information Comments Contacts**

Product ID:	12-17 Month CD	Account Status:	RNWL
Current Balance:	\$203103.88	Available Balance:	\$2903.88
Redemption Amount:	\$203103.88	Early Redemption Penalty:	\$0.00
Interest Rate:	1.98%	Interest Per Diem:	\$11.01
Accrued Interest PTD:	0.00	Interest Paid YTD:	\$10925.62
Interest Payment Frequency:	30D	Next Interest Payment Date:	11/23/2001
Interest Payment Method:	Capitalize	Interest Payment Account #:	
Original Deposit:	\$200200.00	CD Term:	365 Day
Current Issue Date:	11/23/2000	Next Maturity Date:	11/23/2001
Outstanding Payment Date:	00/00/0000	Outstanding Payment Amount:	\$0.00
Last Monetary Transaction Date:	11/23/2001	Last Non-Monetary Activity Date:	11/30/2001

COPY

Miscellaneous

Open Date:	11/23/1999	Close Date:	00/00/0000
Holds:	Y	Restrictions:	N
Officer Code:	528826795	Special Instructions:	Data Not Available
Withholding Code:	01 - CORPORATION		

Related Customers

Name	Tax ID	Relationship	Date of Birth
GEMSTONE MINING INC	841428687	Sole Owner	00/00/0000
ROBERT LOPEZ	000000000	Signer	00/00/0000





Member FDIC

COMPLETED

602

Bank No. _____

Business Signature Card

Account No. _____

GEMSTONE MINING INC
FBO UTAH DIVISION OF OIL GAS AND MINING
AND US DEPARTMENT OF INTERIOR

Account Type **Jumbo Non-Personal CD**

and legal form

Corporation

Taxpayer ID No. _____

Address

PO BOX 3413
CEDAR CITY UT 84721-3413

Date Opened **replacement**

Acknowledgment By signing this Signature Card, either individually, jointly or through your duly authorized representative(s), you agree to open and use a deposit account at the Bank. You represent and warrant that (i) the signatures appearing below are genuine or facsimile signatures of the person(s) authorized to transact business on your account and (ii) all necessary action or formalities, where necessary, have been taken to authorize the person(s) to open the account. The Bank is entitled to rely on the authority of the named person(s) and no investigation of such authority is required by the Bank. You certify that the information provided to the Bank by you is true to the best of your knowledge and belief and that you authorize the Bank, at its option, to obtain credit reports on you. You acknowledge receipt of the Bank's deposit account agreement and its terms and conditions, and agree to be bound by the agreements and terms contained therein.

Certification I certify under penalty of perjury that (1) the Taxpayer Identification Number given above is correct and (2) I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. person (including a U.S. resident alien). (You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.) This Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Signature **LOWELL BRAXTON**

Title

000-00-0000**DIRECTOR**

Signature

ROBERT LOPEZ**000-00-0000****AUTHORIZED SIGNER**

Signature ID No.

Signature ID No.

Taxpayer ID No.

Issued By **Bank One, NA**
Second South & State Street
00234

Prepared By

C. CANCES
(801) 481-5017
00234
12-03-2001